

MONTHLY REPORT for ICS

February 2026

NOTE TO THE READER: Reference to the Federal Register may be found at <http://www.gpo.gov/fdsys/browse/collection.action?collectionCode=FR>.

References to legislation may be found at <https://www.congress.gov> at the center of the page.

Kathy Metcalf- International Propeller Club’s Person of the Year

CSA President Emeritus Kathy Metcalf was honored with the International Propeller Club’s prestigious Maritime Person of the Year Award—one of the highest distinctions the organization bestows. This remarkable recognition at the U.S. Capitol celebrates a career defined by visionary leadership, steadfast service, and an enduring impact on the maritime industry. Kathy’s contributions have helped shape policy, strengthen our community, and advance the industry at every level, making this honor both well-deserved and deeply meaningful.

The celebration brought together distinguished leaders and friends from across the maritime world. Speakers included Fair Kim, President of the DC Propeller Club; Costis Frangoulis, CSA Member and President of the International Propeller Club; Ambassador Alexandridis, Ambassador of the Hellenic Republic; Ambassador Guilfoyle, U.S. Ambassador to the Hellenic Republic; and Federal Maritime Commission Chair Laura DiBella—each reflecting on Kathy’s extraordinary influence and legacy.

CSA is incredibly proud to celebrate Kathy's outstanding achievements and lasting contributions to our industry.

US Supreme Court (USSC) Ruling on Imposition of Tariffs

On February 20, 2026, the USSC issued its ruling on “Learning Resources Inc. et al v. Trump” which addresses whether the International Emergency Economic Powers Act (IEEPA) authorizes the President to impose tariffs. The USSC found that the IEEPA does NOT authorize the President to impose tariffs in general. The court noted that the IEEPA allows the President to regulate importation but does not explicitly grant the power to impose tariffs and thus the President’s actions were deemed an inappropriate expansion of executive power over tariff policy which the Court emphasized is clearly within the exclusive power of Congress to impose both taxes and tariffs. It is noteworthy that the ruling included various concurring opinions from the Justices which reflects differing

views on the interpretation of IEEPA, with a dissenting opinion from a minority of Justices.

The majority opinion utilized the major questions doctrine which indicates a reluctance to interpret ambiguous statutes as delegating significant powers (in this case the imposition of tariffs) further supporting this position with the fact that no President has used the IEEPA to impose tariffs in the past. The Court further highlighted the importance of legislative intent and historical context in interpreting the IEEPA noting that Congress has historically used explicit language when delegating tariff powers (which they did not in this case) and that Congress is the body which controls taxation and tariffs, ensuring checks on executive power. Implications of this decision are far reaching from a practical perspective relative to whether tariffs already collected must be refunded (the Court was silent on this issue) and the uncertainty regarding the status of tariffs imposed under existing trade agreements.

A copy of the full opinion may be viewed at:

https://www.supremecourt.gov/opinions/25pdf/24-1287_4gcj.pdf

America's Maritime Action Plan (MAP) – CSA Summary

The White House released "America's Maritime Action Plan," in mid-February. It is a comprehensive strategy to restore the United States' status as a global maritime leader. The plan emphasizes the critical vulnerability to both U.S. economic and national security interests caused by the current reliance on foreign-built and foreign-flagged vessels due to the diminished U.S.-flagged fleet and limited domestic shipbuilding capacity. A copy of the plan may be viewed at <https://www.whitehouse.gov/maritimemight/>

For owners and operators, the Maritime Action Plan (MAP) aims to stimulate demand for U.S.-built and U.S.-flagged vessels through significant new financial incentives, cargo preference requirements, and federal support programs. Key proposals include establishing a "Maritime Security Trust Fund" financed by a new universal fee on foreign-built vessels entering U.S. ports, creating a "Strategic Commercial Fleet (SCF)" to support U.S. vessels in international trade, and implementing major deregulatory actions to reduce burdens on domestic operators. It proposes new fees and taxes intended to "level the playing field" with foreign competitors and fund the revitalization effort. The Administration has committed to submit its MAP legislative requests along with its FY27 budget.

This is a high-level, strategic framework that outlines the Administration's goals and proposed policies. It describes the *what* not the *when* the specific actions will take place. The specific timelines or implementation dates will need to come through subsequent, specific legislative proposals, rulemaking, or implementation guidance.

The plan is structured around four key pillars:

Pillar I: Rebuild U.S. Shipbuilding Capacity and Capabilities

- **Increase Domestic Shipbuilding Capacity:** Aims to expand the number of active shipbuilding yards to address the fact that less than one percent of new commercial ships are built domestically.
- **Domestic Sourcing:** The plan seeks to reduce dependency on foreign suppliers by developing domestic capacity for critical components like large marine engines, gears, and propellers.
- **Shipyard and Vessel Financing:** The plan calls for modernizing and expanding existing programs like the Title XI Loan Guarantee Program, Capital Construction Fund (CCF), and Construction Reserve Fund (CRF) to lower the after-tax cost of vessel construction and shipyard investment.
- **Establish Maritime Prosperity Zones (MPZs):** These geographically diverse zones are designed to use tax advantages to stimulate private and allied capital investment in maritime industries and waterfront communities.
- **Impose a Universal Fee:** The plan proposes a new infrastructure or security fee on all foreign-built commercial vessels calling at U.S. ports, assessed on the weight of imported tonnage. One estimate suggests a fee of 1 cent per kilogram could generate \$66 billion over ten years. Revenue would be directed to the Maritime Security Trust Fund.

Pillar II: Reform Workforce Education and Training

- **Tax Exemption for Mariners:** It recommends permitting U.S. merchant mariners serving on U.S.-flagged vessels on international routes to exclude their foreign-earned income from gross income, aiming to boost mariner retention.
- **Mariner Workforce Development:** The strategy includes expanding and modernizing training at the U.S. Merchant Marine Academy (USMMA) and State Maritime Academies and establishing a new Mariner Incentive Program (MIP) to aid in recruitment and retention.

Pillar III: Protect the Maritime Industrial Base

- **Close the "Cargo Loophole" with a Land Port Maintenance Tax:** Proposes a new tax on foreign-origin cargo that is offloaded in Canadian or Mexican ports and then transported by land into the U.S. This tax, potentially set at 0.125% of the cargo's value, is designed to mirror the existing Harbor Maintenance Tax (HMT) applied at seaports. The goal is to eliminate the cost advantage of bypassing U.S. ports, thereby incentivizing shippers to use U.S. maritime routes and increasing cargo for vessels calling at our nation's ports.
- **Strategic Commercial Fleet (SCF):** A new SCF would be established to provide financial support for the construction and operation of internationally

trading U.S.-built vessels, helping them compete against subsidized foreign fleets.

- **Strengthened Cargo Preference:** The plan aims to expand and streamline enforcement of cargo preference laws for U.S. Government-impelled cargo.
- **New U.S. Maritime Preference Requirement (USMPR):** A proposal to require high-volume exporting economies to transport a gradually increasing percentage of their U.S.-bound containerized cargo on qualifying U.S. vessels.
- **Cargo Preference Three-Year Eligibility Rule:** Immediately implement reform to accelerate fleet growth.
- **Counter Foreign Competition:** Proposes actions to address unfair trade practices, particularly from China's state-supported maritime, logistics, and shipbuilding sectors. (More on USTR's findings)

Pillar IV: National Security, Economic Security, and Industrial Resilience

- **Increase the U.S.-Flag Fleet:** Explicitly aims to grow the fleet of U.S.-built and U.S.-flagged commercial vessels trading internationally.
- **Establish a Maritime Security Trust Fund:** Proposes a dedicated fund, insulated from the annual appropriations process, created to ensure consistent, long-term investment in shipbuilding, fleet expansion, and workforce development programs. Revenue would be generated from new fees and taxes, such as the Land Port Maintenance Tax and the universal fee on foreign-built ships.
- **Autonomous Vessels:** The plan recognizes the lack of a regulatory framework for autonomous vessels and recommends developing clear standards for manning, operations, safety, and liability to support future innovation.

Deregulatory Actions

- **Regulatory Relief:** A significant focus is placed on eliminating redundant, obsolete, or burdensome regulations. This includes reducing duplicative inspections, raising the monetary threshold for major marine casualty reporting, and streamlining compliance for permitting, credentialing, and vessel entry/clearance.
- **Streamlining Compliance Process:** Revise forms, systems, and regulation process for Merchant Mariner Credentials (MMC), expand underwater surveys in lieu of drydocking, and update government systems to ensure web access.

View the full [MAP](#) and [CSA's MAP Summary](#).

USCG Cybersecurity FAQ and Training Verification Job Aid

The USCG has released two cybersecurity documents in the past few weeks, a [FAQ for the Cybersecurity in the MTS Final Rule](#) and a [Training Verification Job Aid](#).

In the FAQ, a few important points:

- Cyber Incident Reporting: Foreign vessels must report cyber incidents as hazardous conditions via Notice of Arrival (NOA) and notify the nearest COTP or OCMI immediately.
- No Operational Technology (OT) doesn't mean no cyber plan is required. Cyber applies to all MTSA-regulated facilities and owners/operators.
- Stresses cyber assessments before plans
- Flexibility for Similar Vessels: Vessels with identical IT/OT systems can share a single Cybersecurity Plan or Assessment, provided any deviations are addressed individually.
- Cyber assessments and audits must be conducted annually
- Phishing campaigns can be included in drills, and must be documented
- Appoint a CySO
- Appeals Process: Cybersecurity deficiencies can be appealed first to the Captain of the Port (COTP) and then under 33 CFR 101.420.
- Support from the Coast Guard: The Coast Guard offers resources and assistance for responding to cyber incidents, including the Cyber Protection Team and local Marine Transportation System Specialist-Cyber (MTSS-C)

The Job Aid is aimed to guide USCG inspectors; however, it is very useful for owners/operators to prepare for your audits.

[FAQ for MTSA Cyber Regulations](#)
[USCG Cybersecurity Training Verification Job Aid](#)

USCG Streamlined Inspection Program RFI

The U.S. Coast Guard has published a [Request for Information \(RFI\)](#) on its [Streamlined Inspection Program \(SIP\)](#) to gather ideas and recommendations for improving the program and aligning it with national security and economic objectives. Note, the SIP applies to U.S. flagged vessels only.

CSA is preparing a formal response to represent the interests of our member companies. To ensure our submission reflects your perspective, we request your input, particularly regarding experiences with the SIP, challenges encountered, best practices, and suggestions for improvement.

If your company is preparing its own response to the RFI, we kindly request that you share your positions with us to help inform a unified and robust set of recommendations.

The Coast Guard's comment deadline is March 20, 2026. To allow sufficient time for us to compile and review all feedback, please provide your input to skline@csashipping.org no later than March 6, 2026.

Thank you for your support and engagement.

California Air Resources Board (CARB) – Ocean Going Vessel In-Transit Regulation

In December 2022, CARB announced that it was considering promulgation of new regulations which would regulate air emissions from ocean going ships during transit in California waters. This would be in addition to the current regulations for shore power and vessel fuels. At that time its interim evaluation report was issued which highlighted the need to reduce emissions from ocean going vessels in transit and would focus on reduction of conventional emissions (NO_x, PM) as well as reactive organic gases and GHG emissions. CARB has held two workshops open to the public on December 5, 2024 and February 4, 2026. Background information on CARB's work so far can be reviewed at <https://ww2.arb.ca.gov/our-work/programs/potential-ocean-going-vessel-ogv-transit-regulation> which includes a link to both workshops referenced above.

CARB justifies the need for this rulemaking on the fact that emissions from oceangoing vessels are one of the largest contributors of air pollution in California and further notes that without additional regulation, that percentage will increase over time. CARB also notes the current initiatives globally including the Fuel EU regulation (finalized), the EU Emissions Trading System (finalized), and IMO's work on GHGs (pending further development) and essentially uses the regional EU initiatives as justification that marine emissions should be further regulated by new national and sub-national programs.

Various regulatory strategies are being considered as stand-alone or in combination including development of alternative fuels, mandates that require cleaner engines/vessels and operational changes e.g., slow steaming. CARB is currently considering these options as well as finalizing its ocean going vessel technology assessment, developing further public outreach programs, and conducting emissions testing and research.

A tentative timeline for development of these new regulations projects regulatory development projects and strategy development to occur from 2026-2028, rulemaking initiated with a proposed regulation in 2028-2029 with final approval and implementation in 2029-2030.

CSA will monitor future developments and continue our work with California based trade associations to provide preliminary input where possible and most certainly provide input once the proposed regulation is issued.

U.S. Maritime Security Advisories and Alert

U.S. Maritime Alert 2026-001A

[2026-001A-Strait of Hormuz, Persian Gulf, Gulf of Oman, and Arabian Sea-Military Operations and Potential Retaliatory Strikes by Iranian Forces](#)

U.S. Maritime Security Advisory 2026-003

[2026-003-Black Sea and Sea of Azov-Military Combat Operations](#)

U.S. Maritime Security Advisory 2026-002

[2026-002-Gulf of Aden, Arabian Sea, Indian Ocean-Piracy/Armed Robbery/Kidnapping for Ransom](#)

U.S. Maritime Security Advisory 2026-001

[2026-001-Persian Gulf, Strait of Hormuz and Gulf of Oman-Iranian Illegal Boarding / Detention / Seizure](#)